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Lucia A Keegan 11/08/2006 02:48:02 PM From DB/Inbox: Lucia A Keegan

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Text:

C O N F I D E N T I A L PARIS 07098

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ACTION: UNESCO
INFO: POL ECON AMBU AMB AMBO DCM SCI

DISSEMINATION: UNESCOX
CHARGE: PROG

APPROVED: AMB:LOLIVER
DRAFTED: DCM:AKOSS
CLEARED: NONE

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TO RUEHC/SECSTATE WASHDC IMMEDIATE 2652
INFO RUEHBR/AMEMBASSY BRASILIA 1703

C O N F I D E N T I A L PARIS 007098

SIPDIS

FROM USMISSION UNESCO PARIS

DEPARTMENT FOR IO/UNESCO, IO/FO, WHA/BSC, L/UNA

E.O. 12958: DECL: 10/27/2016

TAGS: [UNESCO](#) [SCUL](#) [BR](#)

SUBJECT: (U) USUNESCO - MORE INFORMATION ON BRASILIA OFFICE

¶1. (U) Classified by USUNESCO DCM Andrew Koss for reason 1.4 (d)

¶2. (C) Assistant Secretary Powell delivered her talking points on Brasilia to Director-General (DG) Matsuura during their meeting on October 24. Following that meeting, Ambassador Oliver had a private session with the DG to discuss unconfirmed reports that the External Auditor was postponing his investigation of Brasilia in order to first investigate issues relating to ADG Peter Smith's management reform initiative. In a follow up phone call to Ambassador Oliver on October 25, the DG told her that her concerns were unfounded and that the External Auditor is continuing to focus on Brasilia as a top priority. He also told the Ambassador that he will be overseeing the entire investigation himself.

¶3. (C) Secretariat sources informed the Mission on October 20 that the new UNESCO External Auditor, Philippe Seguin of France, had aggressively started to audit the Education Sector management reform, including the contract with the management consulting firm Navigant, rather than begin work on assessment of problems at the Brasilia office. During the Executive Board, the derogation used by the DG and ADG Peter Smith to issue the Navigant contract came under sharp questioning from South Africa, India and Benin, though the comptroller pointed out that the DG's power to issue a derogation is clearly set out in the Organization's financial regulations.

¶4. (C) However, according to the DG, Brasilia is still the top priority and there will be a UNESCO mission to Brasilia in mid-November. Although we are assured that the issues surrounding Brasilia will be thoroughly investigated without delay, we do not yet know exactly who will be on the Mission.

¶5. (U) Mission will deliver the Silverberg-Matsuura letter to the DG, as soon as final text is received and will ask for more

details about the composition of the mission to Brasilia and the involvement of the External Auditor.

¶6. (C) Comment. There may be political motivation behind the External Auditor's move. We were told that the Brazilian ambassador and External Auditor were supposed to have lunch during the Executive Board, but a direct link between the lunch and the investigation while plausible, would be strictly speculation. As we reported septel those countries that pushed strongest for the audit of the Education Sector were those that most ardently supported Brazil's effort to prevent further evaluation of the Brasilia office. The ambassador of Benin who was chairing the meetings that discussed Brasilia and the education reform was anxious to move things along quickly when the discussion was about Brasilia (though the meeting ended up lasting over two hours) but sanctimoniously said during the discussion of the education reform that he would not abide gray areas in UNESCO's financial management. Peter Smith has invited scrutiny of his reform plan, and while he may not have expected the aggressiveness of the External Auditor, the education reform will go forward.
Oliver